

*\*BANK STATIONERY\**

**IRREVOCABLE LETTER OF CREDIT**

MARYLAND DEPARTMENT OF THE ENVIRONMENT  
WATER MANAGEMENT ADMINISTRATION  
c/o Minerals, Oil & Gas Division  
1800 Washington Blvd.  
Baltimore, Maryland 21230

DATE:  
NUMBER:

Gentlemen:

We hereby open our irrevocable letter of credit in your favor for an amount of ( ) available by your draft at sight drawn on **BANK NAME AND ADDRESS**, without any other documents required. Each draft should state "The State of Maryland demands payment in the amount of \_\_\_\_\_, drawn under **BANK NAME** standby Letter of Credit No. \_\_\_\_\_. This irrevocable letter of credit is established in the name of \_\_\_\_\_ for drilling and operating permit number \_\_\_\_\_.

The right to draw under this Irrevocable Letter of Credit may not be transferred or assigned except that this credit shall be automatically transferred to any State agency which succeeds to the current responsibility of the Department of the Environment for the regulation of oil and gas drilling pursuant to the laws of Maryland. Under any circumstances, the Governor of the State of Maryland shall have the authority to draw under this credit.

Partial draws may be made under this Irrevocable Letter of Credit. Each demand for payment honored by the Bank shall pro tanto reduce the amount available under the credit.

This Irrevocable Letter of Credit shall be effective immediately and shall remain in effect until \_\_\_\_\_ at which time the credit shall be automatically renewed for successive one year periods, unless we notify you in writing by registered mail at least ninety (90) days prior to the end of the then relevant expiry date that we do not wish to renew the credit. Upon your receipt of such notification you will have ninety (90) days to draw up to the full amount of the credit then available by presenting your sight draft to us, without any other documents required.

This Irrevocable Letter of Credit is governed by the laws of the State of Maryland and is subject to the Uniform Customs and Practice for Documentary Credit (1983 Revision), International Chamber of Commerce Publication No. 400 [U.C.P.]. In the event of any conflict between Maryland law and the U.C.P., Maryland law shall prevail. This credit shall be deemed to be a contract made under the laws of the State of Maryland, and the parties expressly agree that the courts of the State of Maryland shall have exclusive jurisdiction to decide any questions arising hereunder.



We hereby engage with you that drafts drawn and presented in compliance with the terms of this credit will be duly honored by us if presented at this office on or before \_\_\_\_\_ or any automatically extended date thereafter.

Very truly yours,

---

AUTHORIZED SIGNATURE  
Corporate Seal

